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stc lines

1981 Annual Report

Introduction

For thirty-five years, "Going Your Way" has been STC's travel invitation to the people of Saskatchewan.

More than twenty million residents and visitors to the Province have responded to this invitation in full confidence that their transportation needs will be capably fulfilled by STC's experienced and dedicated employees and agents.

Every day of the year in all kinds of weather, STC's modern fleet of coaches travel the thousands of miles of Saskatchewan's excellent highway system taking people and parcels to their chosen destinations in safety, security and at affordable prices.

This proud tradition was continued in 1981 with initiatives taken towards an even brighter future of service to Saskatchewan.

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Board of Directors

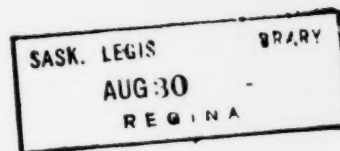
As at October 31, 1981



**The Honourable
D. Cody**
Chairman, Regina



**The Honourable
G. MacMurchy**
Vice-Chairman
Regina



John Burton
Regina



Janice MacKinnon
Saskatoon



Fred Osatiuk
Canora



Steve Prestie *
Melfort



Con Stan
Dysart



Dallas Tenold **
Weyburn



John Walton *
Regina



Elisabeth Kassian
Acting Board
Secretary, Regina

The following people (not pictured) served on the Saskatchewan Transportation Company's Board until October 28, 1981:

Marjorie Benson, Regina
Percy Durocher, Meadow Lake

John Holmes, North Battleford
Carole Bryant, Board Secretary, Regina

Executive Committee — **Chairman, *Member

Management As at October 31, 1981

R. M. Suggitt, General Manager
G. G. Beattie, Assistant General Manager
T. A. Fischer, Finance Director
G. M. Karst, Operations Director
T. J. Moser, Administration Director
G. W. Richardson, Development Director
F. N. Trimble, Equipment Director

G. R. Biletski, Prince Albert District Manager
D. N. Craddock, Saskatoon District Manager
E. M. Scherle, Regina District Manager

Letter of Transmittal



Regina, Saskatchewan
March 2, 1982

To His Honour
The Honourable C. Irwin McIntosh
Lieutenant Governor of the Province of Saskatchewan

Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Transportation Company for the year ended October 31, 1981, including the Financial Statements therefor, duly certified by the Provincial Auditor and in the form approved by the Treasury Board, all in accordance with The Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in dark ink, appearing to read "D. Cody". The signature is stylized with a large, sweeping initial "D" and a long horizontal stroke extending to the right.

Don Cody
Minister in Charge
Saskatchewan Transportation Company

Mandate

Throughout its history, the Saskatchewan Transportation Company has been the major provider of public transportation to the citizens of Saskatchewan. During 1981, it continued to meet the ever more demanding challenge of its mandate to extend its network of schedules to as many of the Province's communities as is economically possible.

Highlights

One of the keys to success in any endeavour is to recognize the trends and respond in the most appropriate manner. This was reflected at the time STC was founded, when the highway system was developing and short haul rail passenger service was in decline. It was reflected again in 1981 with the launching of an executive level of motor coach service - the Prairie Shuttle - to accommodate the increasing numbers of business and professional people seeking options to the automobile for their transportation needs.

During the year, the Company took the first step to upgrade its repair and maintenance capabilities with a start made on the construction of a new garage in Saskatoon to replace the outmoded facility that has served since 1947, when buses were smaller and less complex to service.

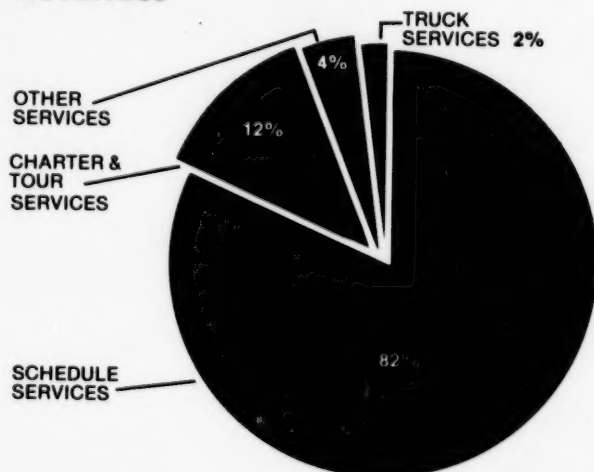
Marguerite DeBacker
Ticket Clerk
Saskatoon



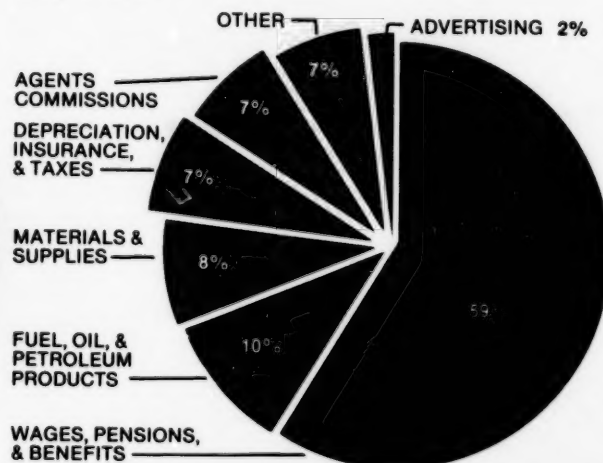
Ron Lustig
Express Clerk
Regina



Revenues



Expenses



Operations

Schedule Services

Weather has a major influence on the level of patronage experienced by STC and this was clearly manifested in 1981.

Because of the exceptionally mild and snow free winter, the number of passengers carried by the Company declined by 53,574 or 6.8% to 733,881 from 787,455.

This patronage decline was significantly offset by the fact that the average distance travelled by each passenger increased with the consequence that passenger miles declined by only 2,971,690 or 3.7% to 76,897,105 from 79,868,795.

The rate of growth in the volume of parcel express handled by the Company during 1981 was less than in previous years. While an accurate count of all packages shipped over STC Lines is not maintained, it is estimated that the Company experienced a 1.0% growth on the year.

The acquisition of Cypress Charter Bus Lines during 1981 added a six day per week schedule to Swift Current from Climax, Frontier, Eastend, Shaunavon and Gull Lake.

Charter and Tour Services

Weather was also a negative influence on the number of charters handled by STC during 1981, with the number of charter passengers carried declining by 2,352 or 3.9% to 58,122 from 60,474. This decrease was largely due to cancelled ski charters during the winter months.

Difficulty was experienced in marketing the Company's tour program during 1981 primarily because of the affect on the cost of tours to the United States of the devalued Canadian dollar. The number of passengers carried on tours declined by 121 or 12.3% to 862 from 983.

Motor Coach Fleet

A total of 5,455,000 miles were logged by the Company's fleet of 72 coaches during 1981, an increase of 31,000 miles or .6%. Of this total, charter and tour mileage was 759,577 miles.

Financial

Primarily as a consequence of the weather realated patronage declines, the Company incurred a net loss of \$292,000 in 1981.

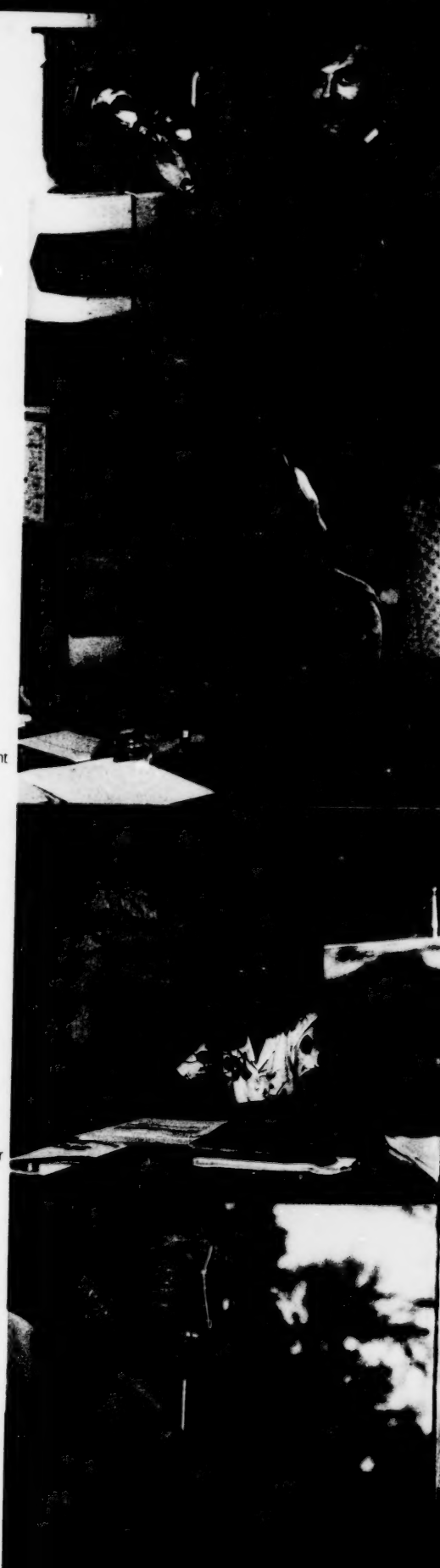
Carl Clark
Mechanic
Regina

Gerry Postnikoff
Administrative Assistant
Saskatoon

Nora Barker
Marketing Planner
Regina

(Seated)
Patti Fry
Senior Marketing Planner
Regina

Dan Sexsmith
Shuttle Driver
Regina



In Appreciation

Sincere gratitude is extended to the following retiring employees for their years of service to STC:

K. Cross, Driver, Saskatoon
H. Earing, Driver, Saskatoon
F. Glydon, Fleet Manager, Regina
C. Hiebert, Journeyman Mechanic, Regina
J. Jerome, Driver, Prince Albert
J. Marcia, Stores Clerk, Regina

Congratulations are extended to the following employees and agents upon their 25th year of service to STC:

M. Jenkins, Agency Services Supervisor, Regina
C. Kessler, Journeyman Mechanic, Regina
E. Ruecker, Driver, Regina
A. Seidlikowski, Lead Mechanic, Regina
W. Yuzdepski, Passenger Services Supervisor, Saskatoon
Arni Goodmanson, Agent, Girvin
Josephine Hallberg, Agent, Halbrite
Sam Rebalkin, Agent, Blaine Lake
Wilf Vellacott, Agent, Wadena
Molly Wells, Agent, Macoun

Dave Craddock
District Manager
Saskatoon

In Memoriam

All of the Company's employees were saddened by the untimely deaths of two of their friends and associates.

A. Bantle passed away suddenly on November 2, 1980, having retired only sixty days previously from his position as Equipment Services Supervisor at Prince Albert.

G. Tracey passed away on October 14, 1981, having served as Journeyman Mechanic at Regina.

Sod Turning
Saskatoon
Maintenance Facility
(Left to Right)

Cliff Wright
Mayor of Saskatoon

**The Honourable
D. Cody**
Chairman of the Board.

Paul Mostoway
MLA, Saskatoon Centre



The Prairie Shuttle

On September 28, 1981, the Company introduced the Prairie Shuttle, an executive class motor coach service for the business and professional person travelling between Regina and Saskatoon.

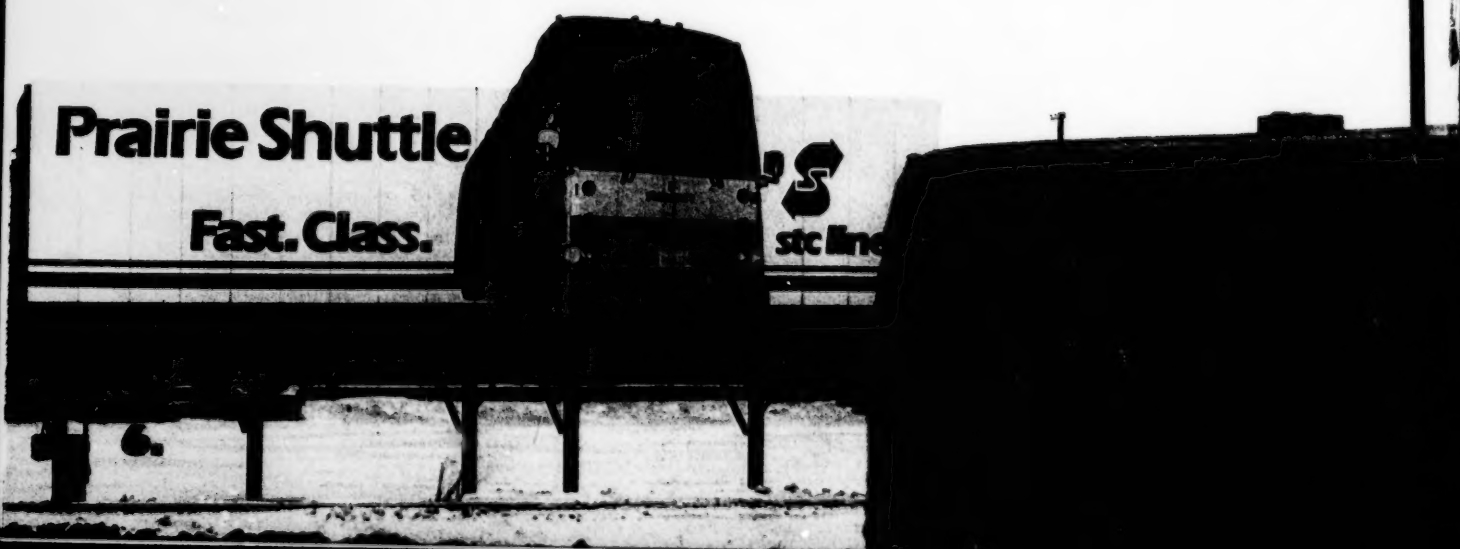
The service features Prevost Le Mirage coaches equipped with 24 comfort sized reclining seats, each of which have fold down tables and individually controlled five channel stereo sound systems for the comfort and convenience of the passengers.

A total of four trips daily are provided on a Monday through Friday basis to facilitate convenient one day round trip travel.

Prairie Shuttle passengers enjoy the convenience of hot full course meals served by attendants. The meals are prepared for STC by the Hotel Saskatchewan in Regina and the Bessborough Hotel in Saskatoon, which also function as the centrally located departure locations for this service.

The concept of an executive class bus service is not original to STC as other carriers have operated such services for several years. Its application to the Regina/Saskatoon corridor was deemed to be particularly appropriate in view of the heavy travel that occurs between the two cities, the relatively short distance involved and previous absence of a comparable level of public transportation.

Launching of the service was facilitated by extensive advertising and promotion during its first month of operation.



Prairie Shuttle

Fast. Class.

STC line

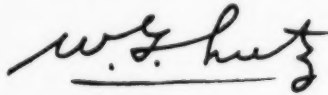


Auditor's Report

To the Members of the Legislative Assembly
of the Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Transportation Company as at October 31, 1981 and the statements of operations, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at October 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A handwritten signature in dark ink, appearing to read 'W. G. Lutz', written over a horizontal line.

Regina, Saskatchewan,
February 26, 1982.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement of Financial Position

As at October 31

(Thousands of Dollars)

ASSETS

CURRENT ASSETS

Short-term Deposits	\$	509
Accounts Receivable (Note 6)		1,278
Prepaid Expenses and Supplies		371
		<u>2,158</u>

LAND BUILDINGS AND EQUIPMENT (Note 3) 6,414

UNAMORTIZED DEFERRED CHARGES (Note 4) 44

\$ 8,616

LIABILITIES AND PROVINCE'S EQUITY

CURRENT LIABILITIES

Bank Indebtedness	\$	172
Accounts Payable and Accrued Liabilities		1,306
		<u>1,478</u>

PROVINCE OF SASKATCHEWAN'S EQUITY

Advances (Note 5)		5,910
Retained Earnings		1,228
		<u>7,138</u>

\$ 12,240 \$ 8,616

(See Accompanying Notes)

Statement of Operations

Year Ended October 31

	(Thousands of Dollars)	
	1981	1980
REVENUES		
Transportation Services	\$ 12,497	\$ 10,684
Other Revenues (Note 6)	538	339
Gain on Sale of Land, Buildings and Equipment	45	10
	<u>13,080</u>	<u>11,033</u>
EXPENSES		
Operating	10,401	8,722
Administration	2,288	1,851
Depreciation and Amortization	653	663
Interest	307	8
	<u>13,372</u>	<u>11,244</u>
NET (LOSS) EARNINGS	<u>\$ (292)</u>	<u>\$ (211)</u>

(See Accompanying Notes)

Statement of Retained Earnings

Year Ended October 31

	(Thousands of Dollars)	
	1981	1980
Retained Earnings - Beginning of Year	\$ 1,228	\$ 1,439
Add Net (Loss) Earnings	<u>(292)</u>	<u>(211)</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 936</u>	<u>\$ 1,228</u>

(See Accompanying Notes)

Statement of Changes in Financial Position

Year Ended October 31

	(Thousands of Dollars)	
	1981	1980
SOURCE OF FUNDS		
OPERATIONS		
Net (Loss) Earnings	\$ (292)	\$ (211)
Expenses (Revenues) Not Involving Working Capital:		
Depreciation and Amortization	653	663
Gain on Sale of Land, Buildings and Equipment	(45)	(10)
	316	442
Advances	1,445	—
	1,761	442
APPLICATION OF FUNDS		
Purchase of Land, Buildings, and Equipment		
(Net of Proceeds on Disposal)	3,257	182
(DECREASE) INCREASE IN WORKING CAPITAL ...	<u>\$ (1,496)</u>	<u>\$ 260</u>

(See Accompanying Notes)

Notes to Financial Statements

October 31, 1981

Note 1 Significant Accounting Policies

LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment are recorded at cost. Expenditures on normal repairs and maintenance and gains or losses on sales are reflected in earnings as they are incurred.

DEPRECIATION OF BUILDINGS AND EQUIPMENT

Depreciation of buildings and equipment is charged to expenses on the straight line basis to reflect estimated service life as follows:

Buildings	2.5% to 10.0%
Coach and Truck Equipment	11.1%
Other Equipment	10.0%

Note 2 Status of Saskatchewan Transportation Company

Saskatchewan Transportation Company was established by Order-in-Council #168 in 1946 pursuant to The Crown Corporations Act, Chapter 39, 1965 Revised Statutes of Saskatchewan, which continues under The Crown Corporations Act.

The accounts of the Company are consolidated in the annual financial statements of the Crown Investments Corporation of Saskatchewan.

Note 3 Land, Buildings and Equipment

(Thousands of Dollars)

	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
	1981		1980	
Land	\$ 1,827	\$ —	\$ 1,827	\$ 1,685
Buildings	2,558	985	1,573	1,644
Coach and Truck Equipment	7,162	3,417	3,745	2,819
Other Equipment	386	145	241	207
Work-in-progress	1,699	—	1,699	59
	<u>\$ 13,632</u>	<u>\$ 4,547</u>	<u>\$ 9,085</u>	<u>\$ 6,414</u>

Work-in-progress includes Saskatoon Garage under construction for which the company had contractual commitments for approximately \$2,660,000 at October 31, 1981.

Note 4 Deferred Charges

This item represents deferred charges incurred in the development of a new data processing system and a new coach service which will be completely amortized next year. During the current year, \$22,027 is charged against income.

Note 5 Advances

Advances from the Crown Investments Corporation of Saskatchewan are non-interest bearing and repayable at their discretion. During the year, the Company received advances of \$1,445,000 (1980 - nil).

Note 6 Other Revenues

Other revenues include \$194,151 (1980 - \$179,404) from the Province of Saskatchewan in respect of developing and operating certain bus schedules. Of this amount \$150,000 (1980 - \$125,000) is included in accounts receivable.

Note 7 Remuneration of Directors and Senior Officers

During the year ended October 31, 1981 nine persons (1980 - 11) served on the Company's Board of Directors and twelve (1980 - 10) served as senior officers. The aggregate 1981 remuneration to directors amounted to \$4,025 (1980 - \$5,700) and the aggregate 1981 remuneration to senior officers was \$417,557 (1980 - \$313,844).

Note 8 Contingent Liability

The Company, along with others, has been named in an action resulting from an accident which occurred on the Company's property. The Company carries insurance to cover losses from this type of risk and legal counsel is of the opinion that the Company has a valid defence to the claim, therefore, no provision has been made in the accounts for any possible loss.

Note 9 Related Party Transactions

Included in these financial statements are income and expenses resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown controlled departments, agencies and corporations with which the company is related.

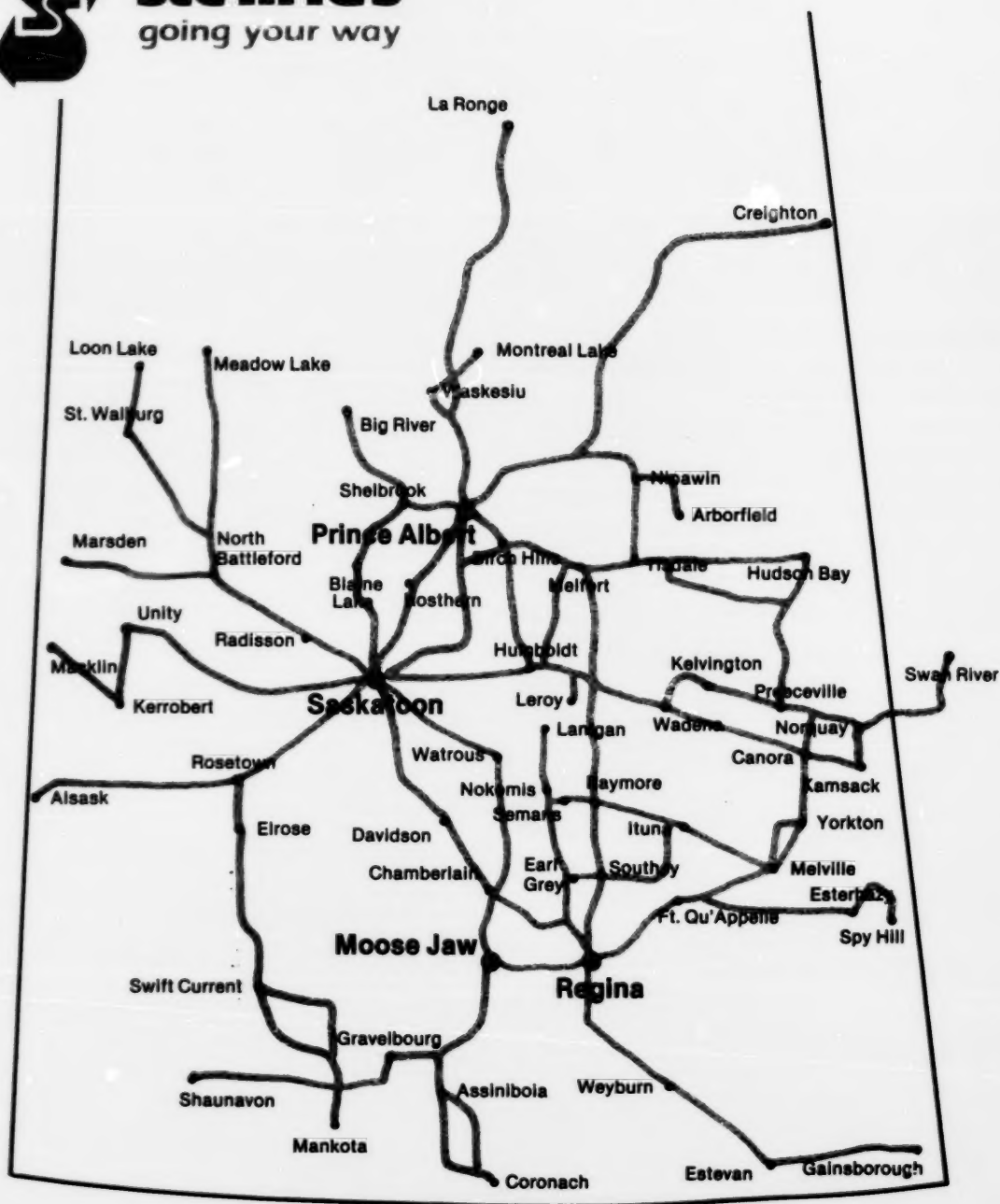
Account balances resulting from these transactions are included in the Statement of Financial Position and are settled on normal trade terms.

Other amounts due to and from related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

Route Map



stc lines
going your way





SASKATCHEWAN TRANSPORTATION COMPANY
2041 Hamilton Street
Regina, Saskatchewan